

**JOHNSON CITY  
POWER BOARD**



February 16, 2017

Tennessee Ethics Commission  
Janet Williams, Bureau Operations Supervisor  
404 James Robertson Parkway, Suite. 104  
Nashville, Tennessee 37243

Re: Code of Ethics adoption - Johnson City Energy Authority

Dear Janet Williams:

On December 16, 2016, the Board of Directors of Johnson City Energy Authority (JCEA) adopted a Code of Ethics Policy pursuant to T.C.A. § 8-17-103. JCEA's adopted Policy meets the requirements of the Ethics Act and conforms to the intent of the Municipal Technical Advisory Service model, MTAS-505. Further, it includes language that makes the Policy directly applicable to JCEA and references JCEA's established ethical statutes and guidelines.

Enclosed, please find our adopted Policy. If you have any questions concerning our Policy, please contact me at 423-952-5040.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Dykes". The signature is fluid and cursive, written in a professional style.

Jeffrey Dykes  
President and CEO

Enclosure  
Via email

**The Johnson City Energy Authority Code of Ethics was board approved on December 16, 2016. The following page will present the Code of Ethics in the format that would be referenced in our employee handbook.**

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**Appendix A - JCEA Code of Ethics**  
**Board Approved 12-16-2016**

**Section 1. Applicability**

The Johnson City Energy Authority is committed to operating within high ethical standards, and specifically complying with State Guidelines for Public Entity Officers and Employees. This code of ethics applies to all full-time and part-time elected or appointed officials and employees, whether compensated or not including, but not limited to, members of the Board of Directors, committee members, and officers and employees of the Johnson City Energy Authority.

**Section 2. Definition of "Personal Interest"**

1. "JCEA" or "Authority" means the Johnson City Energy Authority.
2. "Board" means the Board of Directors of the Johnson City Energy Authority, and any board, committee, or other instrumentality appointed or created by the Board.
3. "Officials and employees" means and includes any official, whether elected or appointed, officer, employee or servant, or any member of any board, agency, commission, authority or corporation, whether compensated or not, or any officer, employee or servant thereof, of the Authority.
4. For the purposes of the disclosure of personal interest sections of this Code, "personal interest" means:
  - a) Any financial, ownership, or employment interest in the subject of a vote by the Board not otherwise regulated by state statutes on conflicts of interests; or
  - b) Any financial, ownership, or employment interest in a matter to be regulated or supervised; or
  - c) Any financial, ownership, or employment interest of the official's or employee's spouse, parent(s), step-parent(s), grandparent(s), sibling(s), child(ren), or step-child(ren).
5. The words "employment interest" includes a situation in which an official or employee or a designated family member is negotiating possible employment with a person or organization that is the subject of the vote or that is to be regulated or supervised.
6. In any situation in which a personal interest is also a conflict of interest under state law, the provision of the state law will take precedence over the provisions of this policy.

**Section 3. Disclosure of Personal Interest by official with vote**

An official with the responsibility to vote on a measure shall disclose during the meeting at which the vote takes place, before the vote and so it appears in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the official's vote on the measure. In addition, the official may recuse himself from voting on the measure. Where an official chooses or is required to recuse himself from a matter, the official should refrain from any discussion on

the matter beyond the discussions necessary to recuse himself and should abstain from voting.

#### **Section 4. Disclosure of personal interest in non-voting matters**

An official or employee who must exercise discretion relative to any matter, other than casting a vote, and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of discretion shall disclose, before the exercise of the discretion when possible, the interest on a form provided by and filed with the President and CEO. In addition, the official or employee may, to the extent allowed by law, excuse himself from the exercise of discretion in the matter.

#### **Section 5. Acceptance of Gratuities**

An official or employee may not accept, directly or indirectly, any money, gift, gratuity, or other consideration or favor of any kind from anyone other than the Authority:

1. For the performance of an act, or refraining from performance of an act, that he would be expected to perform, or refrain from performing, in the regular course of his duties with JCEA; or
2. That might reasonably be interpreted as an attempt to influence his action or reward him for past action, in executing Authority business.
3. Notwithstanding anything to the contrary as contained in the Authority's policies and procedures, unreported gifts, gratuities, or other consideration that have a cumulative value of \$50.00 or less shall automatically be exempt from the provisions of this Ethics Code. Reported gifts, gratuities, and other consideration that have a cumulative value of over \$50.00 shall, likewise, automatically be exempt from the provisions of this Ethics Code. An official or employee who receives a gift, gratuity, or other consideration with a cumulative value of more than \$50.00 shall within 72 hours of receipt of the gift, gratuity, or other consideration, file with the President and CEO's office a statement containing the following information: (a) a description of the gift, gratuity, or other consideration; (b) the name of the donor; (c) the date of receipt of the gift, gratuity, or other consideration; (d) and the cumulative value of the gift, gratuity, or other consideration. The cumulative value of gifts, gratuities or other considerations from a single source shall be evaluated on a calendar year basis.
4. Anything of nominal value that is customary and routinely given by customers, suppliers, or contractors and not exclusively to Johnson City Energy Authority will not constitute a gift, gratuity or other consideration under this policy.
5. Campaign contributions of any amount shall automatically be exempt from the provisions of this ethics code.
6. Except for campaign contributions, no official or employee shall accept any monetary consideration, monetary gift, or monetary gratuity.
7. Personal gifts to an official or employee (for birthdays, anniversaries, holidays, retirements, etc.) shall automatically be exempt from the provisions of this ethics code.

8. It shall not be considered a violation of this policy for an official or employee to receive entertainment, food, refreshments, meals, health screenings, amenities, door prizes, foodstuffs, or beverages that are provided in connection with a meeting sponsored by an established or recognized statewide, area wide, or national association of the electrical distributor officials or electric utilities or by an umbrella or affiliate organization of such statewide, area wide, or national association of electrical distributor officials or electric utilities. Examples of such organization would include American Public Power Association (APPA) and Tennessee Valley Public Power Association (TVPPA)
9. The following activities are exempt from this policy:
  - a. Activities relating to organizations in which the Authority is member or owner, whether partial or in whole and including affiliated entities of those organizations. These include but are not limited to National Information Solutions Cooperative (NISC), Distributors Insurance Company (DIC), and Seven States Power Corporation.
  - b. Since TVA is the Authority's federally mandated regulatory agency, any transactions or interactions between TVA and JCEA which are permissible under TVA's ethics policy shall be acceptable under Johnson City Energy Authority's ethics policy.

#### **Section 6. Use of Information**

1. An official or employee may not disclose any information obtained in his official capacity or position of employment that is made confidential under state or federal law except as authorized by law.
2. An official or employee may not use or disclose information obtained in his official capacity or position of employment with the intent to result in financial gain for himself or any other person or entity.

#### **Section 7. Use of Authority time, facilities, etc.**

1. An official or employee may not use or authorize the use of Authority time, facilities, equipment, or supplies for private gain or advantage to himself.
2. An official or employee may not use or authorize the use of Authority time, facilities, equipment, or supplies for private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease that is determined by the governing body to be in the best interest of JCEA.

#### **Section 8. Use of Position or Authority**

1. An official or employee may not make or attempt to make private purchases, for cash or otherwise, in the name of JCEA.
2. An official or employee may not use or attempt to use his position to secure any privilege or exemption for him or others that are not authorized by the private act, general law, or policy of the Authority.
3. Notwithstanding anything contained in any Authority policy to the contrary, all officials and employees shall be allowed to use, lease, or rent facilities on the same basis and under the same terms that apply to all citizens.

## **Section 9. Outside Employment**

An official or employee may not accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of the Authority's position or conflicts with any provision of the Authority's charter or policy thereof.

## **Section 10. Ethics Complaints**

1. The Authority's attorney is designated as the ethics officer of JCEA. Upon written request of any official or employee potentially affected by a provision of this Code, the general counsel may render an oral or written advisory ethics opinion based upon this code and applicable law. The Authority may designate one or more other attorneys to act under this section in the event the general counsel has or will have a conflict of interest in a particular matter.
2. If a complaint of a violation of any provision of this chapter is lodged against an employee or an official of the Authority, the President and CEO and Authority counsel shall examine the same to determine if the complaint appears to have sufficient merit to warrant further consideration. If either of these individuals determines that the complaint warrants further consideration, the Board shall consider the complaint and determine whether (a) the complaint has merit, (b) the complaint does not have merit, or (c) the complaint has sufficient merit to warrant further investigation. If the Board determines that a complaint warrants further investigation, it shall authorize an investigation by the Authority counsel or another individual or entity chosen by the Board.
3. If a complaint of a violation of any provision of this code is lodged against an official appointed by the Board or against an employee appointed, hired, or working under the authority of the President and CEO, the Authority counsel shall examine the same to determine whether the complaint appears to have sufficient merit to warrant further investigation. If the Authority counsel determines that a complaint warrants further investigation, or if the Authority counsel otherwise acquires credible information indicating a violation, he or she may investigate the complaint and make recommendations for action to end or seek redress for any activity that, in the attorney's judgment, constitutes a violation of this Code of Ethics.
4. If a complaint of any violation provision of this policy is lodged against the President and CEO, the Chairman of the Board and the Authority counsel shall examine the same to determine whether the complaint appears to have sufficient merit to warrant further investigation and shall report their recommendations to the Board.
5. The Authority counsel, or the attorney representing JCEA, may request the hiring of another attorney, individual, or entity to act under this policy when it appears he or she has or will have a conflict of interest in a particular matter.
6. Complaints lodged under this policy shall be in writing and signed by the person or persons making the same.
7. The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforce this code of ethics.

8. When a violation of this code of ethics also constitutes a violation of personnel policy, rule, or regulation, the violations shall be dealt with as a violation of the personnel provisions rather than as a violation of this code of ethics.
9. Any attempt by an official or employee to improperly influence the consideration, investigation, or resolution of a complaint lodged under this policy shall constitute a violation of this code of ethics.

### **Section 11. Violations**

An individual who violates any provision of this Code is subject to punishment or discipline as provided by a majority vote of the Board and as provided under other applicable law.

### **Section 12. Conclusion**

This policy does not cover, and is not intended to identify or delimit, all possible circumstances that could present a conflict of interest. Rather, it should be used as a guideline for officials and employees behavior. JCEA expects its employees to exercise good judgement in their interactions with customers, vendors, suppliers, or other parties doing business or seeking to do business with JCEA. Similarly, employees are expected to apply good judgement to any outside employment or activities that could or might reflect on JCEA. If questions or concerns arise, employees should discuss the matter with their supervisor, manager, officer, human resources administrator, or CEO. Should the matter involve the CEO, an employee or official should discuss the matter with the Board Chairman or JCEA's general counsel. Matters involving the Board of Directors should be discussed with the Board Chairman (if the matter does not involve the Chairman) or JCEA's general counsel.